

(c) Each state member bank must monitor conditions in the real estate market in its lending area to ensure that its real estate lending policies continue to be appropriate for current market conditions.

(d) The real estate lending policies adopted pursuant to this section should reflect consideration of the Interagency Guidelines for Real Estate Lending Policies established by the Federal bank and thrift supervisory agencies.

#### Subpart D—Standards for Safety and Soundness

##### § 208.60 Standards for safety and soundness.

The Interagency Guidelines Establishing Standards for Safety and Soundness prescribed pursuant to section 39 of the Federal Deposit Insurance Act (12 U.S.C. 1831p-1), as set forth as appendix D to this part apply to all state member banks.

[60 FR 35682, July 10, 1995]

#### Subpart E—Interpretations

##### § 208.116 Sale of bank's money orders off premises as establishment of branch office.

(a) The Board of Governors has been asked to consider whether the appointment by a State member bank of an agent to sell the bank's money orders, at a location other than the premises of the bank, constitutes the establishment of a branch office.

(b) Section 5155 of the Revised Statutes (12 U.S.C. 36), which is also applicable to State member banks, defines the term *branch* as including "any branch bank, branch office, branch agency, additional office, or any branch place of business \* \* \* at which deposits are received, or checks paid, or money lent." The basic question is whether the sale of a bank's money orders by an agent amounts to the receipt of *deposits* at a *branch place of business* within the meaning of this statute.

(c) Money orders are classified as deposits for certain purposes. However, they bear a strong resemblance to trav-

eler's checks that are issued by banks and sold off premises. In both cases, the purchaser does not intend to establish a deposit account in the bank, although a liability on the bank's part is created. Even though they result in a deposit liability, the Board is of the opinion that the issuance of a bank's money orders by an authorized agent does not involve the receipt of deposits at a "branch place of business" and accordingly does not require the Board's permission to establish a branch.

(d) Banks engaging in this practice should, of course, exercise the utmost discretion in choosing agents to sell the bank's money orders. It has been suggested that the agents be bonded, their authority be limited, and proceeds of the sales be remitted daily. Also the bank's blanket bond might be amended to provide protection if the present provisions are inadequate.

[30 FR 3525, Mar. 17, 1965]

##### § 208.117 Mobile branches.

The Board of Governors was recently requested by a State member bank to approve the operation of mobile offices at designated out-of-town locations. These offices would be stationed at such locations on certain days and hours each week. Section 5155 of the Revised Statutes (12 U.S.C. 36), which is made applicable by section 9 of the Federal Reserve Act to the establishment of branches by State member banks, defines the term *branch* as any "place of business \* \* \* at which deposits are received or checks paid, or money lent." Accordingly, the Board concluded that as each location would be a place of business at which some or all of such activities would be conducted, permission to establish branches was required. Such offices may only be approved by the Board when State statute permits branch banking at such locations. The approval of the State authorities had been obtained and the Board approved the establishment of branches at these locations.

[30 FR 14552, Nov. 23, 1965]